

Message Text

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PAGE 01 STOCKH 01374 070602Z
ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-08 INR-10 LAB-04
NSAE-00 SIL-01 PA-02 ICA-20 SP-02 AID-05 NSC-05
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TO SECSTATE WASHDC 3486
INFO AMEMBASSY COPENHAGEN
AMEMBASSY HELSINKI
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AMEMBASSY REYKJAVIK

UNCLAS STOCKHOLM 1374

E.O. 11652: N/A
TAGS: ELAB, SW
SUBJ: MUNICIPAL SECTOR WAGE NEGOTIATIONS DEADLOCK

REF: STOCKHOLM 1005

1. THE SECOND STEP IN THE SWEDISH SYSTEM OF CENTRALIZED WAGE NEGOTIATIONS IS THE NEGOTIATION OF WAGE AGREEMENTS IN THE PUBLIC SECTOR. THE FEDERATIONS OF MUNICIPALITIES AND COUNTY COUNCILS AND THEIR 710,000 ORGANIZED EMPLOYEES WHO ARE REPRESENTED BY THE MUNICIPAL WORKERS UNION (BLUE COLLAR), THE KTK MUNICIPAL WORKER CARTEL OF THE TCO (WHITE COLLAR), AND SACO/SR-K (PROFESSIONALS) ARE CURRENTLY DEADLOCKED IN THEIR NEGOTIATIONS. TRADITIONALLY THE MUNICIPAL SETTLEMENT HAS FOLLOWED THE GENERAL GUIDELINES ESTABLISHED IN THE EARLIER PRIVATE SECTOR NEGOTIATIONS (REFTEL). THESE LOCAL GOVERNMENT NEGOTIATIONS BEGAN IN EARNEST IN LATE FEBRUARY ONCE THE GENERAL FORM OF THE PRIVATE SECTOR SETTLEMENT BECAME CLEAR. THE DISPUTE NOW CENTERS AROUND HOW MUCH WEIGHT SHOULD BE PLACED ON SUCH FACTORS AS DIFFERING VACATION PRACTICES BETWEEN THE PUBLIC AND PRIVATE SECTORS AND THE CALCULATION OF A NUMBER OF OTHER

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PAGE 02 STOCKH 01374 070602Z

TECHNICAL POINTS. IN NUMBERS THE UNIONS ARE DEMANDING 8 PERCENT WHILE THE EMPLOYERS ARE OFFERING 5 PERCENT OVER THE 21 MONTH LIFE OF THE CONTRACT.

2. THE NEXT STEP IS THE NAMING OF GOVERNMENT MEDIATORS WHO WILL TRY TO RESOLVE THE REMAINING DIFFERENCES BETWEEN EMPLOYER AND UNION.

3. COMMENT: THE DEADLOCK IS CONSIDERED "SOFT" IN SWEDISH
PARLANCE. THE DIFFERENCES ARE EXPECTED TO BE RESOLVED WITHOUT
RESORT TO A WORK STOPPAGE. DESPITE THE RALATIVELY FAVOUGABLE
PROGNOSES THERE IS A LONGER TERM UNHAPPINESS, PARTICULARLY
AMONG THE HIGHER PAID MUNICIPAL AND COUNTY COUNCIL WORKERS,
THAT THEIR ECONOMIC SITUATION VIS-A-VIS OTHER ELEMENTS OF
SWEDISH SOCIETY HAS SLIPPED DURING THE LAST FEW YEARS. THE
WAGE DRIFT USED BY THEIR COUNTERPARTS IN THE PRIVATE SECTOR
TO AT LEAST PARTIALLY PROTECT THEMSELVES FROM THE IMPACT OF
"LOW WAGE ADDITIONS" HAS BEEN LESS AVAILABLE TO GOVERNMENT
WORKERS.
KENNEDY-MINOTT

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